

# Health Care Policy Initiatives

Analyst: Tatro

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2019 Total App</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Approp</b>	<b>FY 2021 Request</b>	<b>FY 2021 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
General	143,700	282,100	283,000	0	0
Dedicated	0	0	347,200	0	0
Federal	14,326,700	10,386,300	495,600	0	0
<b>Total:</b>	<b>14,470,400</b>	<b>10,668,400</b>	<b>1,125,800</b>	<b>0</b>	<b>0</b>
Percent Change:		(26.3%)	(89.4%)	(100.0%)	(100.0%)
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	696,600	511,000	451,200	0	0
Operating Expenditures	13,273,800	8,574,700	174,600	0	0
Trustee/Benefit	500,000	1,582,700	500,000	0	0
<b>Total:</b>	<b>14,470,400</b>	<b>10,668,400</b>	<b>1,125,800</b>	<b>0</b>	<b>0</b>
Full-Time Positions (FTP)	7.60	7.60	2.00	0.00	0.00

## Division Description

The program was established in 2015 and is responsible for the administration of the State Healthcare Innovation Plan (SHIP) and other statewide health-policy initiatives focused on improving Idaho's health care system. Specific functions include developing, managing, and reporting on numerous contracts with a variety of contractors with expertise in different aspects of healthcare system transformation. Contract subject areas may include medical home transformation, health information technology expansion, data analytics, quality measurement, and tele-health.

For FY 2021, the department requests this program be dissolved, and all FTP and funding be transferred to the Public Health Services Program. This program is authorized 2.00 FTP, and these FTP currently report to a program manager in the Public Health Services Program.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	2.00	283,000	1,125,800	2.00	283,000	1,125,800
FY 2021 Base	2.00	283,000	1,125,800	2.00	283,000	1,125,800
Benefit Costs	0.00	1,000	4,400	0.00	(300)	(1,200)
Change in Employee Compensation	0.00	900	4,000	0.00	1,900	8,000
FY 2021 Program Maintenance	2.00	284,900	1,134,200	2.00	284,600	1,132,600
8. Move HPI to Health	(2.00)	(284,900)	(1,134,200)	(2.00)	(284,600)	(1,132,600)
FY 2021 Total	0.00	0	0	0.00	0	0
Change from Original Appropriation	(2.00)	(283,000)	(1,125,800)	(2.00)	(283,000)	(1,125,800)
% Change from Original Appropriation		(100.0%)	(100.0%)		(100.0%)	(100.0%)

# Health Care Policy Initiatives

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2020 Original Appropriation</b>					
The Legislature funded one line item for FY 2020 that added 2.00 FTP and \$625,800 for health care payment reform.					
	2.00	283,000	347,200	495,600	1,125,800
<b>FY 2021 Base</b>					
Agency Request	2.00	283,000	347,200	495,600	1,125,800
Governor's Recommendation	2.00	283,000	347,200	495,600	1,125,800

## Benefit Costs

Employer-paid benefit changes include an 18.9% increase (or \$2,200 per eligible FTP) for health insurance, bringing the total appropriation to \$13,850 per FTP. Also included are a one-year elimination of the unemployment insurance rate, a restoration of the Division of Human Resources rate, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	1,000	2,400	1,000	4,400
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The Governor recommends no increase for health insurance due to fewer claims than expected and changes to federal tax policies; a one-year elimination of the sick leave rate and the unemployment insurance rate; restoration of the Division of Human Resources rate; and adjustments for workers' compensation rates.

Governor's Recommendation	0.00	(300)	(600)	(300)	(1,200)
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## Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	900	2,200	900	4,000
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The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	1,900	4,200	1,900	8,000
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<b>FY 2021 Program Maintenance</b>					
Agency Request	2.00	284,900	351,800	497,500	1,134,200
Governor's Recommendation	2.00	284,600	350,800	497,200	1,132,600

## 8. Move HPI to Health

## Health Care Policy & Physical Health Services

The department requests the dissolution of the Health Care Policy Initiatives Program (HPI) and that all appropriated FTP and moneys be transferred to the Physical Health Services Program to align with the organizational change of this move. The HPI Program was established in 2015 to administer the State Healthcare Innovation Plan (SHIP) and other statewide health-policy initiatives focused on improving Idaho's health care system. In 2017, the Legislature added funding to support Medicaid-eligible services in the Graduate Medical Education (GME) Program. The program was created by the Legislature at the request of the department and the Office of the Governor as a place for health related issues and programs that did not cleanly align with another existing health and welfare program. If approved, the HPI Program would no longer exist. This request is a net-zero change for the department.

Analyst Comment: The department included this transfer in its October budget revision as a base adjustment. However, per Budget Development Manual guidelines, this request was moved to a line item for purposes of transparency and informed decision-making.

Agency Request	(2.00)	(284,900)	(351,800)	(497,500)	(1,134,200)
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	(2.00)	(284,600)	(350,800)	(497,200)	(1,132,600)
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<b>FY 2021 Total</b>					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

# Health Care Policy Initiatives

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	(2.00)	(283,000)	(347,200)	(495,600)	(1,125,800)
% Change from Original App	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
Governor's Recommendation					
Change from Original App	(2.00)	(283,000)	(347,200)	(495,600)	(1,125,800)
% Change from Original App	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)

## Health Care Policy Initiatives Appropriation Language:

**HEALTH CARE PAYMENT REFORM.** The Health Care Policy Initiatives Program shall provide a report to the Legislative Services Office on the development and implementation of a plan with defined goals, outcomes, and measurable results to reform health care payments, support the Healthcare Transformation Council of Idaho, and identify how the program will receive financial support from non-state sources. The format of the report and information contained therein shall be determined by the Legislative Services Office. The report shall be submitted no later than October 1, 2019.

**These reports were emailed 1/23/2020  
to all JFAC members**

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## FY 2019 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
<b>0.30</b>	<b>FY 2019 Original Appropriation</b>								
	0220-03	Gen	0.00	0	0	0	251,500	0	251,500
	0220-05	Ded	7.60	0	0	0	0	0	0
	0220-02	Fed	0.00	696,600	16,373,800	0	623,500	0	17,693,900
	<b>Totals:</b>		7.60	696,600	16,373,800	0	875,000	0	17,945,400
<b>0.43</b>	<b>Supplementals</b>								
	0220-02	Fed	0.00	0	(3,100,000)	0	0	0	(3,100,000)
	<b>Totals:</b>		0.00	0	(3,100,000)	0	0	0	(3,100,000)
<b>0.44</b>	<b>Rescissions</b>								
	0220-03	Gen	0.00	0	0	0	(107,800)	0	(107,800)
	0220-02	Fed	0.00	0	0	0	(267,200)	0	(267,200)
	<b>Totals:</b>		0.00	0	0	0	(375,000)	0	(375,000)
<b>1.00</b>	<b>FY 2019 Total Appropriation</b>								
	0220-03	Gen	0.00	0	0	0	143,700	0	143,700
	0220-05	Ded	7.60	0	0	0	0	0	0
	0220-02	Fed	0.00	696,600	13,273,800	0	356,300	0	14,326,700
	<b>Totals:</b>		7.60	696,600	13,273,800	0	500,000	0	14,470,400
<b>1.21</b>	<b>Net Object Transfer</b>								
	0220-02	Fed	0.00	0	(2,172,000)	0	2,172,000	0	0
	<b>Totals:</b>		0.00	0	(2,172,000)	0	2,172,000	0	0
<b>1.33</b>	<b>Net Transfer Between Programs</b>								
	0220-02	Fed	0.00	0	(1,447,000)	0	0	0	(1,447,000)
	<b>Totals:</b>		0.00	0	(1,447,000)	0	0	0	(1,447,000)
<b>1.34</b>	<b>Net Transfer Between Programs</b>								
	0220-03	Gen	0.00	140,500	1,000	0	0	0	141,500
	<b>Totals:</b>		0.00	140,500	1,000	0	0	0	141,500
<b>1.61</b>	<b>Reverted Appropriation</b>								
	0220-03	Gen	0.00	(1,300)	(500)	0	(1,300)	0	(3,100)
	0220-02	Fed	0.00	(324,800)	(1,080,600)	0	(1,088,000)	0	(2,493,400)
	<b>Totals:</b>		0.00	(326,100)	(1,081,100)	0	(1,089,300)	0	(2,496,500)
<b>2.00</b>	<b>FY 2019 Actual Expenditures</b>								
	0220-03	Gen	0.00	139,200	500	0	142,400	0	282,100
	Cooperative Welfare (General)			139,200	500	0	142,400	0	282,100
	0220-05	Ded	7.60	0	0	0	0	0	0
	Cooperative Welfare (Dedicated)			0	0	0	0	0	0
	0220-02	Fed	0.00	371,800	8,574,200	0	1,440,300	0	10,386,300
	Cooperative Welfare (Federal)			371,800	8,574,200	0	1,440,300	0	10,386,300
	<b>Totals:</b>		7.60	511,000	8,574,700	0	1,582,700	0	10,668,400

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## FY 2019 Actual Expenditures by Division

	FTP	PC	OE	CO	T/B	LS	Total
<b>Difference: Actual Expenditures minus Total Appropriation</b>							
0220-03 Gen		139,200	500	0	(1,300)	0	138,400
Cooperative Welfare (General)		N/A	N/A	N/A	(0.9%)	N/A	96.3%
0220-05 Ded		0	0	0	0	0	0
Cooperative Welfare (Dedicated)		N/A	N/A	N/A	N/A	N/A	N/A
0220-02 Fed		(324,800)	(4,699,600)	0	1,084,000	0	(3,940,400)
Cooperative Welfare (Federal)		(46.6%)	(35.4%)	N/A	304.2%	N/A	(27.5%)
<b>Difference From Total Approp</b>		<b>(185,600)</b>	<b>(4,699,100)</b>	<b>0</b>	<b>1,082,700</b>	<b>0</b>	<b>(3,802,000)</b>
<b>Percent Diff From Total Approp</b>		<b>(26.6%)</b>	<b>(35.4%)</b>	<b>N/A</b>	<b>216.5%</b>	<b>N/A</b>	<b>(26.3%)</b>